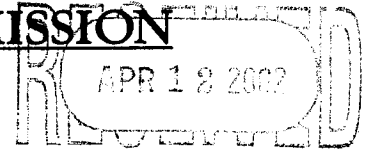


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ARIZONA CORPORATION
COMMISSION



Director of Utilities

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

B

W-01275A
BERNEIL WATER COMPANY
P. O. BOX 219
TEMPE AZ 85280-0219

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

4-15-02 am

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>BERNEIL WATER COMPANY</u>		
Mailing Address <u>P.O. BOX 219</u>		
(Street)		
<u>TEMPE</u>	<u>AZ</u>	<u>85280</u>
(City)	(State)	(Zip)
<u>480-966-5804</u>	<u>480-967-7857</u>	<u>-</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>SAME</u>		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>REX MITCHELL</u>		<u>V.P./MGR.</u>	
(Name)		(Title)	
<u>P.O. BOX 219</u>	<u>TEMPE, AZ</u>	<u>85280</u>	
(Street)	(City)	(State)	(Zip)
<u>480-966-5804</u>	<u>480-967-7857</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>SAME</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: NEIL FOLKMAN

(Name)

2422 E. PALO VERDE PHOENIX

(Street)

(City)

AZ

(State)

85016

(Zip)

602-956-1690

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: NONE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME *BERNIL WATER COMPANY*

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	<i>400</i>	<i>-0-</i>	<i>400</i>
304	Structures and Improvements	<i>27,615</i>	<i>16,514</i>	<i>11,101</i>
307	Wells and Springs	<i>244,682</i>	<i>152,865</i>	<i>91,817</i>
311	Pumping Equipment	<i>278,902</i>	<i>162,776</i>	<i>116,126</i>
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	<i>234,740</i>	<i>146,654</i>	<i>88,086</i>
331	Transmission and Distribution Mains	<i>750,652</i>	<i>468,970</i>	<i>281,682</i>
333	Services			
334	Meters and Meter Installations	<i>117,052</i>	<i>70,697</i>	<i>46,355</i>
335	Hydrants	<i>26,131</i>	<i>6,857</i>	<i>19,274</i>
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	<i>19,050</i>	<i>9,576</i>	<i>9,474</i>
340	Office Furniture and Equipment	<i>3,443</i>	<i>344</i>	<i>3,099</i>
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	<i>1,702,667</i>	<i>1,035,253</i>	<i>667,414</i>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME *BERNEIL WATER COMPANY*

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	<i>400</i>	<i>- 0 -</i>	<i>- 0 -</i>
304	Structures and Improvements	<i>27,615</i>	<i>5%</i>	<i>1,381</i>
307	Wells and Springs	<i>244,682</i>	↓	<i>12,234</i>
311	Pumping Equipment	<i>278,902</i>	↓	<i>13,945</i>
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	<i>234,740</i>	<i>5%</i>	<i>11,737</i>
331	Transmission and Distribution Mains	<i>750,652</i>	↓	<i>37,533</i>
333	Services			
334	Meters and Meter Installations	<i>117,052</i>	<i>5%</i>	<i>5,853</i>
335	Hydrants	<i>26,131</i>	↓	<i>1,307</i>
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	<i>19,050</i>	<i>5%</i>	<i>953</i>
340	Office Furniture and Equipment	<i>3,443</i>	↓	<i>172</i>
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	<i>1,702,667</i>		<i>85,113</i>

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME *BERNEIL WATER COMPANY*

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ <i>147,850</i>	\$ <i>216,390</i>
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ <i>147,850</i>	\$ <i>216,390</i>
	FIXED ASSETS		
101	Utility Plant in Service	\$ <i>1,670,691</i>	\$ <i>1,702,667</i>
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	<i>950,135</i>	<i>1,035,248</i>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ <i>720,556</i>	\$ <i>667,419</i>
	TOTAL ASSETS	\$ <i>868,406</i>	\$ <i>883,809</i>

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME *BERNEIL WATER COMPANY*

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	<i>600</i>	<i>1,100</i>
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ <i>600</i>	\$ <i>1,100</i>
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ <i>76,581</i>	\$ <i>74,313</i>
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	<i>91,539</i>	<i>87,422</i>
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	<i>117,858</i>	<i>117,858</i>
272	Less: Amortization of Contributions	<i>< 16,836 ></i>	<i>< 22,449 ></i>
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ <i>192,561</i>	\$ <i>182,831</i>
	TOTAL LIABILITIES	\$ <i>269,742</i>	\$ <i>258,244</i>
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ <i>25,000</i>	\$ <i>25,000</i>
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	<i>573,664</i>	<i>625,565</i>
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ <i>598,664</i>	\$ <i>650,565</i>
	TOTAL LIABILITIES AND CAPITAL	\$ <i>868,406</i>	\$ <i>883,809</i>

COMPANY NAME *BERNEIL WATER COMPANY*

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ <i>637,887</i>	\$ <i>606,205</i>
460	Unmetered Water Revenue		
474	Other Water Revenues	<i>5,612</i>	<i>5,612</i>
	TOTAL REVENUES	\$ <i>643,499</i>	\$ <i>611,817</i>
	OPERATING EXPENSES		
601	Salaries and Wages	\$ <i>129,531</i>	\$ <i>121,405</i>
610	Purchased Water	<i>80,591</i>	<i>72,447</i>
615	Purchased Power	<i>51,945</i>	<i>53,373</i>
618	Chemicals	<i>801</i>	<i>1,027</i>
620	Repairs and Maintenance	<i>57,932</i>	<i>31,313</i>
621	Office Supplies and Expense	<i>8,717</i>	<i>5,574</i>
630	Outside Services	<i>58,200</i>	<i>80,932</i>
635	Water Testing	<i>5,676</i>	<i>5,442</i>
641	Rents	<i>10,800</i>	<i>15,800</i>
650	Transportation Expenses	<i>422</i>	<i>1,362</i>
657	Insurance – General Liability	<i>4,402</i>	<i>9,976</i>
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	<i>72,597</i>	<i>2,898</i>
403	Depreciation Expense	<i>83,515</i>	<i>85,113</i>
408	Taxes Other Than Income	<i>43,356</i>	<i>43,446</i>
408.11	Property Taxes	<i>21,555</i>	<i>20,683</i>
409	Income Tax	<i>49,962</i>	<i>- 0 -</i>
	TOTAL OPERATING EXPENSES	\$ <i>680,002</i>	\$ <i>550,791</i>
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		<i>4,531</i>
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	<i>4,723</i>	<i>4,595</i>
	TOTAL OTHER INCOME/EXP	\$ <i>4,723</i>	\$ <i>9,125</i>
	NET INCOME/(LOSS)	\$ <i>< 41,226 ></i>	\$ <i>51,901</i>

COMPANY NAME	BERNEIL WATER COMPANY
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SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	8-1-95			
Source of Loan	TOWN OF PARADISE VALLEY			
ACC Decision No.				
Reason for Loan	PURCHASE WATER LINE			
Dollar Amount Issued	\$ 86,137	\$	\$	\$
Amount Outstanding	\$ 74,313	\$	\$	\$
Date of Maturity	8-31-19			
Interest Rate	6%			
Current Year Interest	\$ 4,595	\$	\$	\$
Current Year Principle	\$ 2,268	\$	\$	\$

Meter Deposit Balance at Test Year End	\$	- 0 -
--	----	-------

Meter Deposits Refunded During the Test Year	\$	- 0 -
--	----	-------

COMPANY NAME	BERNEIL WATER COMPANY
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WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-609543	100	400	12	4
55-627600	350	1300	18	8
55-551370	300	600	14	6

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
PURCHASE CAMELBACK GOLF COURSE	1800	254,310
PURCHASE CITY OF SCOTTSDALE	550	- 0 -

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
40	3	86	
30	1		
20	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	2	5000	3
135,000	1		

STATISTICAL INFORMATION

Total number of customers 517

Total number of gallons sold 372,603,160 gallons

COMPANY NAME BERNEIL WATER COMPANY

YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>- 0 -</u>
Estimated or Actual Federal Tax Liability	<u>- 0 -</u>

State Taxable Income Reported	<u>- 0 -</u>
Estimated or Actual State Tax Liability	<u>- 0 -</u>


Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>- 0 -</u>
Amount of Gross-Up Tax Collected	<u>- 0 -</u>
Total Grossed-Up Contributions/Advances	<u>- 0 -</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

 SIGNATURE	<u>4/10/02</u> DATE
<u>NEIL FOLKMAN</u> PRINTED NAME	<u>V.P.</u> TITLE

COMPANY NAME BERNEIL WATER COMPANY YEAR ENDING 12/31/2001

WATER AND SEWER UTILITIES ONLY

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 22,683

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

[illegible]

10/26/01	1024	10,543.71
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OPTIONAL FORM NO. 10 MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-108

RECEIVED WATER CO.
F. B. ROSS
MILWAUKEE, WISCONSIN

DATE 4/1/61

TO DIRECTOR, FBI
FROM SAC, MILWAUKEE (100-33408)
SUBJECT: MARIANO, ALFRED J.
RE: MILWAUKEE TELETYPE TO BUREAU, APRIL 1, 1961.

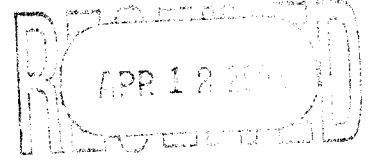
100-33408-1000

100-33408-1000

4/25/01	3408	10,139.31
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**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>NEIL FOLKMAN V.P.</u>
COMPANY NAME	<u>BERNEIL WATER CO</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

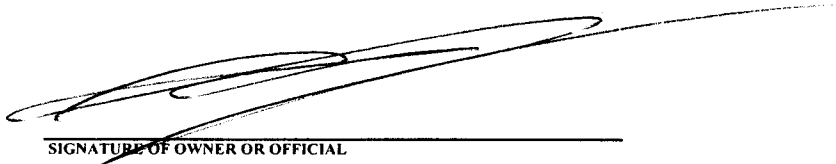
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 606,205

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 43,446
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER _____

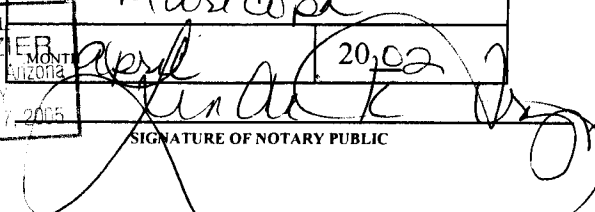
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

at DAY OF

MONTH

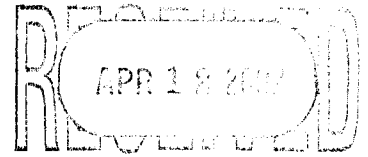
COUNTY NAME	<u>Maricopa</u>
DATE	<u>April 20, 2002</u>
SIGNATURE OF NOTARY PUBLIC	

(SEAL)

MY COMMISSION EXPIRES _____

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA DEPARTMENT OF
CLIMATE SERVICES



Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>MARICOPA</u>	
NAME (OWNER OR OFFICIAL) <u>NEIL FOLKMAN</u>	TITLE <u>VP</u>
COMPANY NAME <u>STEROWEIL WATER CO</u>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>606,205</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 43,446
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

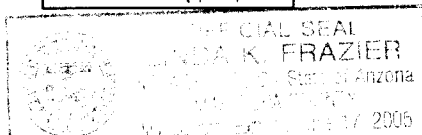
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

9th

DAY OF

(SEAL)



MY COMMISSION EXPIRES

NOTARY PUBLIC NAME <u>Linda K Frazier</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	20 <u>02</u>

X

SIGNATURE OF NOTARY PUBLIC